

STATE OF LOUISIANA – INVITATION FOR BID

PROPOSAL NO.: BDPT-196Page 1 of 48PROPOSAL **MUST BE RECEIVED** NO LATER THAN

TIME:

DATE:

10:00 AM**May 7, 2002**

FOR INFORMATION CONTACT:

Mr. Tommy Arbour

PHONE NUMBER:

(225) 342-8414

This document constitutes an invitation to submit sealed bids, including prices, from qualified individuals and organizations to furnish those services and/or items described herein.

Proposals **must** be mailed to the Office of the Governor, Division of Administration (DOA), Office of Risk Management or hand carried to its offices at 626 North Fourth Street, 4th Floor, P. O. Box 94095, Baton Rouge, Louisiana 70804-9095.

**STATE OF LOUISIANA
ALL STATE DEPARTMENTS, AGENCIES, BOARDS, AND COMMISSIONS
(EXCLUDING LOUISIANA STADIUM AND EXPOSITION DISTRICT)**

FOR

\$400,000 Commercial Excess Following Form Public Employees Blanket Bond Coverage

CONTRACT PERIOD:

Policy to be effective for the period of 12:01 A.M., **July 01, 2002** to 12:01 A.M., **July 01, 2003 with two (2) one-year options to renew at the same rates.** Bids will be received up to **10:00 A.M., May 7, 2002** by the Administrative Section of the Office of the Governor, Division of Administration, Office of Risk Management, 626 North Fourth Street, 4th Floor, Baton Rouge, Louisiana. At the same hour of the same day and date bids will be publicly opened and read in the conference room at the Division of Administration, Office of Risk Management address. Bids received after this time will be returned to the bidder/contractor unopened.

BIDDER/CONTRACTOR INFORMATION/SIGNATURE:

The bidder hereby agrees to provide the insurance coverage and related services, at the prices quoted, pursuant to the requirements of this document and further agrees that when this document is countersigned by an authorized official of the State of Louisiana, a binding contract, as defined herein, **shall** exist between the bidder and the State of Louisiana.

Insurance Agency Name

Signature of Designated Authorized Insurance Agency Representative

(Print Name)

Title

Mailing Address (Bidding Agency)

Telephone

City

State

Zip Code

THE FOLLOWING SECTION IS FOR STATE OF LOUISIANA USE ONLY**NOTICE OF AWARD****PROPOSAL NUMBER:→****BDPT-196**

This proposal is accepted by the State of Louisiana as follows:

STATE RISK UNDERWRITING SUPERVISOR

STATE RISK DIRECTOR

DATE

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PART I
TERMS AND CONDITIONS OF AN INVITATION FOR BID

1. Terminology of an Invitation for Bid (IFB)

Throughout this document the words "bidder", "contractor", and "policy" may pertain to one or more bidder(s), contractor(s), or policy(ies).

Whenever the following words and expressions appear in an Invitation for Bid document or any amendment, exhibit, or attachment thereto, the definition or meaning described below **shall** apply.

- 1.1 Authorized** - Is an admitted or non-admitted insurance company approved by the Commissioner of Insurance to do business in the *State of Louisiana*.
- 1.2 Bid Close Date and Time and Similar Expressions** - The exact deadline required by the IFB for the physical receipt of bids by the Division of Administration (DOA), Office of Risk Management in its office.
- 1.3 Bidder** - The person or organization that responds to an IFB with a proposal and prices to provide the service, supplies, or equipment as required in the IFB document. **All provisions contained in this solicitation, which are addressed to the bidder, shall apply equally to the contractor.**
- 1.4 Budget Agency or State Budget Agency** - Any unit of state government in the State of Louisiana for which the policy of insurance and service is being purchased by the OFFICE OF RISK MANAGEMENT sometimes hereinafter referred to as ORM.
- 1.5 Buyer** - The procurement staff member of ORM.
- 1.6 Contractor** - The person or organization who enters into a legally binding contract thereby agreeing to perform a service and/or to furnish supplies or equipment in return for the payment of money and includes the bidding agent or agency and the insuring company whose names appear on the cover sheet and EXHIBIT III of the invitation for bid. **All provisions contained in this solicitation, which are addressed to the contractor, shall apply to the bidder.**
- 1.7 Guaranteed Cost** - Premium charged on a prospective basis, fixed or adjustable, or on a specified rating basis, but never on the basis of loss experience. In other words, the cost is guaranteed to the extent that it will not be adjusted based on the loss experience of the insured during the period of coverage. The rate(s) **must** remain fixed during the contract period.
- 1.8 Invitation for Bid or IFB** - Those procurement documents issued by ORM to potential bidders/contractors for the purchase of insurance coverage and related service as described in the document. The definition includes all attachments, exhibits, schedules, supplemental pages, and/or amendments thereto.
- 1.9 Manuscript Endorsement** - Any unprinted, typed endorsement changing any conditions, agreements, exclusions or warranties of the contract.
- 1.10 Must and Shall** - When these words are used the performance of a certain act is a mandatory condition and **shall** be performed exactly as described.
- 1.11 Designated Authorized Representative** - When used in regards to the insurance company or an incorporated insurance agency, these words mean an elected corporate officer with power of attorney for the insurance company/agency. The requirements of power of attorney are specified in PART IV, Section 3 of these specifications. When used in regards to an unincorporated insurance agency, these words mean the owner of the agency.

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2. Open Competition

- 2.1 It is the intent and purpose of ORM that the Invitation for Bid permits free and open competition. However, it **shall** be the bidder's/contractor's responsibility to advise ORM if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirements to a single source or otherwise unduly or unnecessarily prohibits the submission of a bid. The notification **must** be received by ORM within ten (10) calendar days prior to the bid close date and time. Bidders are requested to bring to the attention of ORM any perceived problems with these specifications at the earliest possible opportunity in order to allow clarification or amendment with minimum disruption to the bid process.

3. The Invitation for Bid Document (IFB)

- 3.1 The IFB contains two basic types of requirements and information, although it may be organized into several parts. One type consists of the scope of work (technical requirements) and related contractual commitments with which the bidder/contractor **must** comply if awarded a contract. The other type consists of those basic instructions and procedural requirements which **must** be observed and satisfied by the bidder/contractor when submitting a bid for consideration.
- 3.2 The IFB or a Notice to Bidders is mailed to persons and organizations at the address currently on file with the DOA, Purchasing Section. If any portion of the address is incorrect, the bidder/contractor **must** notify the buyer upon receipt of the document. Any subsequent amendment to an IFB will be mailed to the same address as the original IFB unless otherwise notified.

4. Amendments to an Invitation for Bid

- 4.1 ORM reserves the right to officially modify (or cancel) an IFB after issuance. Such a modification shall be identified as an amendment and numbered in a sequential order as issued.
- 4.2 If bidder/contractor has not received all amendments which have been issued by ORM, it is the bidder's/contractor's responsibility to contact ORM to obtain a copy(ies) of the amendments. If the designated authorized representative of the insurance agency fails to acknowledge receipt of all amendment(s) by signing the amendment(s) in the designated area and returning same with bid response, the bidder's/contractor's submission will not be considered a responsive bid.
- 4.3 The designated authorized representative of the insurance agency may acknowledge the acceptance of the conditions of an amendment...by telegraphic notice or electronic mail services if issued to and physically received in the Office of Risk Management - Administrative Section no later than the official bid close date and time. Verbal messages from either a telegraph company or the bidder/contractor shall not be permitted or considered as an acceptance of an amendment.

5. Questions by Bidders

- 5.1 Any questions related to an IFB **must** be directed to the buyer in ORM whose name appears at the top of the form on page 1. Prior to the award of the IFB, the bidder/contractor **shall** not contact nor ask questions of the State agency for which the required insurance is being procured, unless so stated elsewhere in these specifications. **Questions shall be submitted in writing and will be answered in writing in the form of an amendment and forwarded to all vendors who were mailed an IFB.** Any correspondence related to an IFB should refer to the appropriate IFB number, page and paragraph number, etc. However, do not place the IFB number on the outside of the envelope containing questions since such an envelope will be identified as a sealed bid and will not be opened until after the official bid close date and time. Correspondence should be mailed to the Office of Risk Management, P. O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095.
- 5.2 All questions **must** be received by ORM at least fifteen (15) calendar days prior to the bid opening date. All answers will be mailed to the vendors at least ten (10) calendar days prior to the bid opening date.
- 5.3 Questions will also be permitted at Pre-Bid Conferences when scheduled. If scheduled, the IFB

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will contain the date, time, and location of the Pre-Bid Conference; attendance will be at the bidder's/contractor's expense. The bidder/contractor should bring a **copy** of the IFB since it will serve as the agenda. However, since impromptu questions may be asked and since spontaneous answers may be given, the only official position of ORM or a State agency **shall** be the position or answer issued to bidders/contractors in writing. Transcripts are not made nor issued to bidders/contractors.

6. Instructions for Submission of Bid(s) by Bidders/Contractors

- 6.1** A proposal submitted **must** be manually signed in ink by the designated authorized representative of the insurance agency and the insurance company. ORM will accept either the original insurance company designated authorized representative's signature submitted with the bid response or a facsimile copy of the insurance company designated authorized representative's signature on EXHIBIT III in lieu of an original signature. The original of EXHIBIT III containing the insurance company designated authorized representative's original signature **must** be received at ORM's office within ten (10) working days after the bid opening date. Failure to timely submit said original of EXHIBIT III may result in rejection of the bid. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the requirement of a company and an agency signature; however, the submission of a bid bond allows any authorized person from the company and the agency to sign the invitation in lieu of the designated authorized person.
 - 6.1.1** The designated authorized representative of the insurance agency **shall** manually sign in ink the following:
 - 6.1.1.1** Form ORM-02
 - 6.1.1.2** Any amendments to the specifications, if required
 - 6.1.2** The designated authorized representative of the insurance company **shall** manually sign in ink the following:
 - 6.1.2.1** EXHIBIT III
- 6.2** All attachments **shall** be returned as follows:
 - 6.2.1** **Must** contain all information required by the IFB.
 - 6.2.2** The bid **shall** be priced as required in the IFB.
 - 6.2.3** **Must** be sealed in an envelope or box with security deposit attached, if required.
 - 6.2.4** **Must be delivered to the Office of Risk Management - Administrative Section and officially clocked in no later than the exact time on the date as specified in the IFB.**
 - 6.2.5** **Entire IFB and Amendments(if applicable) shall be returned except as otherwise provided in these specifications.**
- 6.3** **THE SEALED ENVELOPE OR BOX CONTAINING AN IFB SHALL BE CLEARLY MARKED ON THE OUTSIDE BOTTOM LEFT CORNER WITH THE FOLLOWING:**
 - 6.3.1. THE OFFICIAL IFB PROPOSAL NUMBER.**
 - 6.3.2. THE OFFICIAL CLOSE DATE AND TIME.**
- 6.4** **Please submit your bid with pages numbered in the bottom right-hand corner of each page in the following manner: 1 of 4, 2 of 4, etc.**

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7. Proposal Opening

- 7.1** Shortly after the expiration of the official bid close date and time, bids will be opened. The bidders/contractors and the public are invited, but not required to attend the formal opening of bids. Prices will be read aloud to the public. However, no decisions related to an award of a contract **shall** be made at the opening.
- 7.2** Due to manpower limitation, buyers shall not repeat prices after an opening via telephone request. Please do not make such requests. However, upon written request a photocopy of the Summary of Quotations shall be mailed to interested bidders/contractors.

8. Late Proposals

- 8.1** Any bid received by the DOA, Office of Risk Management after the exact bid closing date and time **shall** not be opened and **shall** not be evaluated regardless of the reason and mitigating circumstances related to its lateness or degree of lateness.
- 8.2** It is the bidder's/contractor's sole responsibility to insure that the proposal is physically received and officially clocked in as a sealed document by the DOA-Office of Risk Management in its offices no later than the official close date and time. Late bids **shall** be returned to bidders/contractors unopened.

9. Rejection of Bids

An invitation for bids, a request for proposals, or other solicitation may be canceled or all bids or proposals may be rejected, if it is determined in writing by the chief procurement officer or his designee that such action is taken in the best interest of the State.

10. Public Notice of Awards

- 10.1** ORM has no facilities for furnishing abstracts of bids; a complete record of all bids is on file in this office subject to inspection of any citizen who is interested in investigating, for any purpose, the record of State purchases.
- 10.2** Bidders are permitted to review competitors' bids and evaluate documents in accordance with the provisions of the Public Record Act, Louisiana R.S. 44:1 et. seq. Such review **must** be conducted on site in ORM in accordance with the public records statutes.

11. Non-Award of Contract Due to Insufficient Funds

ORM reserves the right to reject the bid for insurance coverage if the insured(s) does/do not have sufficient funds available with which to pay the premium.

12. Contract Resulting From an IFB

- 12.1** The bidder/contractor is advised that the **State of Louisiana does not sign standard contract forms**. The IFB document issued by ORM contains signature lines for the designated authorized representative of the insurance agency and of the insurance company which **shall** be signed when submitted as a bid. Immediately below the bidder's/contractor's signature line is a section entitled "Notice of Award" which contains signature lines for officials of the *State of Louisiana*. To consummate a contract, officials of the State of Louisiana need only to sign the Notice of Award section of the form.
- 12.2** Be aware that the actual contract between the State of Louisiana and the bidder/contractor shall consist of the following documents: (1) IFB and any amendments issued thereto, (2) the proposal submitted by the bidder/contractor in response to the IFB, (3) the actual policy issued. In the event of a conflict in language between items 1, 2, and 3 referenced above, the provisions and requirements set forth and/or referenced in the IFB shall govern. ORM reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of

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conflict with the applicable requirements stated in the IFB and the bidder's/contractor's proposal. In all other matters not affected by the written clarification, if any, the IFB shall govern. The refusal of the bidder/contractor to conform to the provisions and requirements set forth and/or referenced in the IFB shall result in the award of the contract to the new lowest bidder/contractor. The bidder/contractor is cautioned that its proposal shall be subject to acceptance by ORM without further clarification. In the event of any discrepancies between the insurance requirements delineated in these bid specifications and the model policy provided herein, the bid specifications shall govern.

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PART II
TECHNICAL SPECIFICATIONS

1. General Specifications

1.1 The bidder/contractor **shall** provide Commercial Excess Following Form Public Employees Blanket Bond Coverage for State of Louisiana, Various State Departments, Agencies, Boards, and Commissions (Excluding Louisiana Stadium and Exposition District).

1.1.1 The bidder/contractor **shall** agree that underwriting information provided in the schedule is believed to be correct and it **shall** not be considered in any way a warranty by ORM and **shall** not impair the rates for the insurance coverage based upon the information provided.

1.1.2 Bids submitted by admitted companies (including reinsurance carriers which desire to submit bids for any coverage layer requested or excess of any coverage layer requested) licensed to do business in the State of Louisiana possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher will be considered first.** Surplus line companies or non-admitted companies possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher** will be considered and accepted only if acceptable bids are not tendered by an admitted company. The bidding company **shall** meet the qualifications mentioned above without regard to any cut-through endorsements to a higher company. Direct quotations from companies (including reinsurance carriers) **shall** be considered an alternate bid. Mutual companies which write assessable insurance policies are not acceptable and will not be considered for award of the bid.

1.2 The contract and policy term **shall** be for the period of time as reflected under EXHIBIT I.

1.3 Invoices for policies delivered and accepted **shall** be submitted (in duplicate) by the bidder/contractor on its own form directly to ORM, Division of Administration.

1.4 **Premiums for each State budget agency shall be computed separately where policies of insurance cover more than one State budget agency.**

1.5 Contractor shall be required to furnish closure claims settlement notices to ORM, Division of Administration, on all settlements of claims.

Contractor shall be required to furnish a quarterly report reflecting claims (cumulatively for policy year, not just activity for the quarter) opened and closed and claims reserved and paid per agency by policy year, including all allocated loss adjustment expenses until all claims are closed. Information to be reflected on the quarterly report for each individual claim shall include, but not be limited to, the following:

1.6.6.1 Dates of loss;

1.6.6.2 Status of claim (open, closed, reopened)

1.6.6.3 Brief description of loss;

1.6.6.4 State agency name;

1.6.6.5 Amount of claim as indicated below (by coverage code, if applicable)

1.6.6.1 Total incurred;

1.6.6.2 Amount paid;

1.6.6.3 Amount reserved;

1.6.6.4 Amount recovered;

1.6.6.5 Amount of loss adjustment expenses; and

1.6.6.6 Net incurred.

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- 1.7** All books and records of transactions under this contract **shall** be maintained by the bidder/contractor for a period of five (5) years from the date of the final payment under the contract.
- 1.8** ORM will execute any "A" rate form necessary to enable the underwriter to comply with any premium charge quoted and preclude any violation of rating bureau requirements (if applicable).
- 1.9** **The bidder/contractor shall make special filings of policy forms with the Louisiana Department of Insurance as needed to comply with coverage requested in these specifications prior to the issuance of the policy.**
- 1.10** At the request of ORM, the insurance policy issued to include coverages as reflected in PART IV, of these specifications will be revised by way of endorsements to the policy extending or deleting coverage as a result of any changes in units of exposure, if needed.
- 1.11** A bidder/contractor offering a direct sale of insurance to the State should have reduced the policy premium by the amount of the commission which would have been paid, as indicated by Louisiana R.S. 39:1631.
- 1.12** "It **shall** be unlawful for an agent (bidder/contractor) to split, pass on or share with any person, group, organization or other agent, except the State of Louisiana, all or any portion of the commission derived from the sale of insurance to the State..." Louisiana R.S. 39:1632.

2. General Required Endorsements

The "policy of insurance" as used in this section **shall** mean policy issued by the successful bidder/contractor.

- 2.1** The cancellation provisions of the policy of insurance **shall** be replaced with the following:

"It is agreed that the guidelines set forth in this policy as regards cancellation of coverage are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

The insured may cancel the policy by returning it to the company or by giving the company advance notice of the date cancellation is to take effect. The company may cancel or non-renew the policy by mailing to the insured by "Certified Mail, Return Receipt Requested" (at the insured's last known address by the company) written notice of cancellation at least:

Thirty (30) days before the effective date of cancellation if cancellation is due to nonpayment of premium; or

One hundred-twenty (120) days notice if cancellation or non-renewal is due to any other reason.

The company may deliver any notice instead of mailing it. A signed return receipt will be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period."

- 2.2** The policy of insurance **shall** include this endorsement:

"For the insurance afforded herein, the State Risk Director for the Office of Risk Management/Division of Administration, State of Louisiana is authorized to act for all insureds respecting the giving and receiving of notice of cancellation, non-renewal or material change, receiving any return premium or dividend, and changing any provisions of this coverage. Such notice or changes shall be mailed in care of the Office of Risk Management, Division of Administration, Post Office Box 94095, Capitol Station, Baton Rouge, LA 70804-9095."

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- 2.3 The bond/policy of insurance **shall** include this rider/endorsement:

"The definition of 'employee' is amended to include any director, trustee, member of any Board or Commission of the Insured when performing acts coming within the scope of the usual duties of an officer or employee or member of any such board or commission of the Insured."

3. Delivery Dates and Location

- 3.1 The policy of insurance **shall** be received by ORM within forty-five (45) days from the inception date of the policy and **shall** not be delivered to any other State agency.
- 3.2 Coverage binder **shall** be received by ORM within five (5) days of the date award is made.
- 3.3 **Bidder/Contractor shall issue endorsement(s) to any additional insured(s) as requested by the Named Insured.**
- 3.4 This is a request for a guaranteed annual premium in effect **from July 01, 2002 to July 01, 2003**, with two (2) one-year options to renew at the same rates.

4. Claims Service

The bidder/contractor **shall** provide claims service for the **Commercial Excess Following Form Public Employees Blanket Bond Coverage**.

- 4.1 The claims service **shall** be responsible for the handling of our claims to their conclusion in a professional manner. Should the contract be terminated the bidder/contractor **shall** remain responsible for occurrences that take place during the policy period.
- 4.2 The bidder/contractor **shall** furnish adjusting firm, with ORM's concurrence, having qualifications equal to a general adjuster specializing in casualty/fidelity with the ability to perform inspections within twenty-four (24) hours after notification of loss, upon the request of ORM. The insured **shall** report all losses over \$100,000 to the agent-of-record (bidder/contractor). The company **shall** not contest any settlement made by ORM unless written notice of its intent to participate in the loss adjustment has been made within fourteen (14) days after receipt of the Loss Notice to the agent-of-record.
- 4.3 The following guidelines **shall** be followed for the handling of claims:

ORM Estimated Claim Value	Adjusting Service
\$0 to \$100,000	ORM shall have the option to assign to outside selected/approved adjuster or to keep in-house.
\$ 100,000 and Over	Claims shall be handled by outside selected/ approved adjuster.

- 4.4 ORM **shall** be responsible for payment of the outside adjusting cost for all claims which fall below our retention (\$0 to \$100,000). Bidder/Contractor **shall** be responsible for the payment of outside adjusting cost for all claims which exceed ORM retention (\$100,000 and over). Bidder/Contractor **shall** reimburse ORM for claims service expenditures as regards any claim which exceeds ORM's retention.
- 4.5 Outside adjusting costs are defined as any necessary expenditures incurred in determining the value of the loss.

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PART III

GENERAL CONTRACTUAL REQUIREMENTS

1. Bidder/Contractor **shall** be bound by the provisions of Louisiana R.S. 39:1551, et. seq., (The Louisiana Procurement Code).
2. Unless otherwise provided by law, a contract for services may be entered into for periods of not more than three years. No contract **shall** be entered into for more than one year unless the length of the contract was clearly indicated in these specifications. At the option of the State of Louisiana and upon acceptance by the bidder/contractor, any contract awarded for one year may only be extended for two additional twelve-month periods -- not to exceed a total contract period of thirty-six months..
3. **Appropriation Dependency Clause**
 - 3.1 The continuation of this agreement is contingent upon the appropriation of funds, to fulfill the requirements of the agreement, by the legislature. If the legislature fails to appropriate sufficient monies to provide the continuation of this agreement, or if a lawful gubernatorial order issued in or for any given fiscal year during the term of this agreement, reducing the funds appropriated in such amounts as to preclude making the payments set out herein, the agreement **shall** terminate on the date said funds are no longer available without any liability incurring onto the State other than to make payment for services rendered prior to the termination date.
 - 3.2 However, the State **shall** be under a duty to make such determination only in good faith and not, arbitrarily and without justification, to cancel this agreement for the sole purpose of acquiring from another vendor other products of comparable quality and value, and the State agrees that it will use its best efforts to obtain approval of necessary funds to fulfill the obligations of this agreement by taking the appropriate action to request adequate funds to continue this agreement.
4. Riders/Endorsements extending and/or deleting coverage which are issued to the policy of insurance **must** reflect any increases or decreases in the amount of the bidders'/contractors' compensation (premium) and **shall** serve to modify or amend the premium as reflected on EXHIBIT I of these bid specifications. No other method, and/or no other document, including correspondence, acts and oral communications by or from any person, **shall** be construed as a modification or supplementation of the contract except as herein delineated as regards amendments and endorsements.
5. In the event the company or companies originally contracted with by ORM fail(s) to perform, ORM **shall** allow substitution for such company or companies if the parties sought to be substituted meet other criteria established by these specifications. In the event substitution of company or companies occur, company signature pages signed by the replacement company or companies **must** also be submitted to ORM.

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PART IV
GENERAL BID INFORMATION

1. Special Instructions to Bidder/Contractor

- 1.1** The bidder/contractor **must** respond to this IFB by submitting all data required herein in order for this bid to be evaluated and considered for award. Failure to submit such data **shall** be deemed sufficient cause for disqualification of a bid from further consideration of award.
- 1.2** The bidder/contractor **shall** provide **Excess Following Form Public Employees Blanket Bond Coverage** which **must** equal or exceed the coverage provided in the underlying self-insurance bond/policy issued by ORM and reflected in SCHEDULE B of these specifications.
- 1.3** Any change or restriction in conditions, warranties, or exclusions from the underlying policy (found elsewhere in these specifications) or from these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less coverage and/or service than that required in the underlying policy and/or these bid specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT V of these specifications. **Submission of sample policy(ies) and/or service narrative shall not be considered to be in compliance with the above stipulations.**
- 1.4** ORM reserves the right to reject any or all bids.
- 1.5** Bidder/Contractor is bound by all of the terms, prices and conditions of its bid for a term of sixty (60) days after bid opening. No bid may be withdrawn prior to the expiration of that sixty (60) day period.
- 1.6** Bids will be awarded by competitive sealed bidding, pursuant to R.S. 39:1594. Only dollar values stated in EXHIBIT I will be considered for award of the bid. The DOA/ORM reserves the right to award the bid for the option which provides the highest limit of coverage at the lowest premium within the budget agency(ies) allocated funding.
- 1.7** A contract or order resulting from this invitation **shall** be awarded in response to a bid providing the lowest responsible and responsive bid to the State of Louisiana.
- 1.8** Any award of the contract resulting from this invitation **shall** be made by written notification from ORM.
- 1.9** **As respects this bid, company name and signature of designated authorized representative of the insurance company shall be indicated on EXHIBIT III of these specifications. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the need for a company signature; however, the submission of a bid bond allows any authorized person from the company to sign the invitation in lieu of the designated authorized person.**

2. Pricing Information

- 2.1** The bidder/contractor **shall** provide fixed rates for services as required by the Technical Specifications. These costs **shall** be shown on the forms attached as EXHIBIT I and EXHIBIT II, which **must** be returned with the proposal along with the entire IFB document.
- 2.2** The bidder/contractor **must** provide other information as required in EXHIBIT I.
- 2.3** The bidder's/contractor's quotation **shall** be based on the following:
 - 2.3.1** **Guaranteed Cost Plan** - Any Proposal submitted by the bidder/contractor **must** be submitted on the form herein provided with the blank spaces filled in showing the annual premium based on the coverages reflected in PART IV of these specifications.

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	*	PART IV	*		*	
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	*	INFORMATION	*		*	

- 2.4** Percentage of commission return **shall** reflect that percentage of the total premium which will be returned to the State by the successful bidder/contractor, if applicable, and as allowed in Louisiana R.S. 39:1631 and Louisiana R.S. 39:1632.
- 2.5** Any increase and/or decrease in premiums during the policy period **shall** increase and/or decrease the amount of commission return to the same degree of percentage as the original commission return utilized in the net premium determination.
- 2.6** Annual/Anniversary premium **shall** be on a flat rate basis with no adjustments being made in a policy year for an increase or decrease in exposure units. The premium shall remain fixed for the three (3) year policy period without regard to whether exposure units are increased or decreased.

3. Bidder Information

- 3.1** As regards the insurance company and an incorporated insurance agency, the bidder/contractor shall attach either one of the following (Items 3.1.1 or 3.1.2) to the proposal:
- 3.1.1** Board resolution or power of attorney (with seal):
- 3.1.1.1** giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance agency.
 - 3.1.1.2** giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.
 - 3.1.1.3** giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.
- 3.1.2** Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$25,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to nearest dollar.
- 3.2** As regards an unincorporated insurance agency (sole proprietor agency), the bidder/contractor shall attach either one of the following Items (3.2.1 or 3.2.2) to the proposal.
- 3.2.1** Notarized affidavit, board resolution or power of attorney (with seal):
- 3.2.1.1** giving documentation from the Louisiana Insurance Department reflecting proof of ownership of the agency.
 - 3.2.1.2** giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.
 - 3.2.1.3** giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.
- 3.2.2** Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$25,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to nearest dollar.
- 3.3** The bidder/contractor **must** submit with its response to this IFB, a certificate of insurance showing proof of errors and omissions coverage on the agent and/or broker with limits of liability of at least \$1,000,000. This errors and omissions coverage must be maintained throughout the period of this contract.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART IV	*		*	
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	*	INFORMATION	*		*	

- 3.4** The bidder/contractor **must** submit a narrative description of the claim service it proposes to provide. The narrative should include, but not necessarily limited to, a description of the claim handling procedures (routine processing) commencing with the date of loss, reaction time on claims and length of time before a claims payment will be made. The bidder/contractor **shall** be held contractually responsible for information provided in EXHIBIT IV.

4. Insurance Required

- 4.1** The bidder/contractor **shall** provide **Commercial Excess Following Form Public Employees Blanket Bond Coverage** subject to the following:

- 4.1.1** ORM requires that the bond/policy of insurance **shall** provide coverage equal to or exceeding the coverage provided in bond/policy forms reflected in SCHEDULE B of these specifications. The bond/policy of insurance **shall** also include the General Required Riders/Endorsements reflected in PART II of these specifications.

- 4.1.2** Named Insured:

State of Louisiana, All State Departments, Agencies, Boards, and Commissions
(Excluding Louisiana Stadium and Exposition District)

- 4.1.3** Limit of Liability:

\$400,000 Excess of \$100,000 Self-Insurance Following Form Public Employees Blanket Bond Coverage for all State Departments, Agencies, Boards, and Commissions. This **shall** include all board members who are not required by Statute to carry a "Public Official Bond".

Aggregate: **None**

- 4.1.4** This excess coverage is subject to the limit of insurance specified. The company agrees to pay those sums that the insured becomes legally obligated to pay in damages and which are in excess of the limits of insurance afforded by the Self-Insurance Public Employees Blanket Bond/Policy. No "retention or drop down" limit applies.

- 4.1.5** The following riders/endorsements (included in the underlying bond/policy found in SCHEDULE B of these specifications) do **not** apply to the bond/policy to be issued as a result of the award of this contract:

ENDORSEMENT NUMBER:	FORM NAME:
BOND001	UNITED STATES POSTAL CONTRACT BOND COVERAGE
Endorsement A – Item No. 3 ONLY (Items No. 1 & 2 on this form DO apply to the bond to be issued as a result of the award of this contract.)	All Purpose Endorsement – DEFINITIONS
Endorsement C	All Purpose Endorsement – DEDUCTIBLE
Endorsement D	All Purpose Endorsement – STATE PROPERTY CONTROL MANAGERS
Endorsement E	All Purpose Endorsement – PUBLIC OFFICIAL AND NOTARY (NOTARIAL) BOND COVERAGE

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART IV	*		*	
BDPT-196	*	GENERAL BID	*	May 7, 2002	*	15 of 48
	*	INFORMATION	*		*	

5. Underwriting Information

5.1 CLASSIFICATION OF PUBLIC EMPLOYEES TO BE COVERED. (Number of Employees is as of 6/30/2001)

CLASS "A" EMPLOYEES:

All Executive, Administrative, Administrative Assistants, Accountant, Money Handler, and/or Bookkeeper employees. Includes all Peace Officers, Campus Security Officers, Wardens, Superintendents and their Assistants, Toll Collectors, Toll Collector Supervisors, Commanding Officers, an Property (Managers) Book Officers. This also includes Board Members who are not required by statute to provide a "Public Official Bond".

Number of Class A Employees: 44,829

CLASS "B" EMPLOYEES:

All Clerical Personnel.

Number of Class B Employees: 10,539

CLASS "C" EMPLOYEES:

All other employees not listed under Class "A" or "B" employees above.

Number of Class C Employees: 48,700

5.2 AUDIT PROCEDURES AND GENERAL INFORMATION:

5.2.1 State Auditors from the Office of the State Inspector General under the Division of Administration conduct audits for ALL State Departments, Agencies, Boards, and Commissions. Audits are conducted when a theft claim has actually occurred; if there is suspicion of a theft or upon request.

Legislative Auditors from the Office of the Legislative Auditor provide the external audit function for State Departments, Agencies, Boards, and Commissions. The auditors conduct audits of the State of Louisiana in accordance with generally accepted governmental auditing standards. The audit includes an assessment of the risk that errors and irregularities may cause the financial statements to contain a material misstatement and considers illegal acts that could have a direct and material effect on the financial statements. Errors, irregularities, or illegal acts detected during the audit process are included in the audit report as well as reportable conditions relating to weaknesses noted in the internal control structure. The audit includes a report on the internal control structure based on an audit of the general purpose financial statements accompanied by a report on compliance with laws and regulations. Appropriate management responses are secured during the audit process and the auditor is required to determine if corrective action has been taken in relation to the findings presented.

Loss Prevention and Underwriting Units of the Office of Risk Management (ORM) recommend various controls to prevent losses.

5.2.2 UNDERLYING COVERAGE:

ORM self-insures the first \$100,000 of coverage. The bond/policy to be issued as a result of these specifications **shall** be excess over the self-insurance bond/policy. A copy of the self-insured bond/policy can be found in SCHEDULE B of these specifications. Subsequent bonds/policies for each fiscal year will be issued as needed by ORM.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART IV	*		*	
BDPT-196	*	GENERAL BID	*	May 7, 2002	*	16 of 48
	*	INFORMATION	*		*	

5.2.3 The most recent State of Louisiana's financial report as of June 30, 2001 is found on the Internet as follows: <http://house.legis.state.la.us/legispublist/titles.htm>, under Comprehensive Annual Financial Report. It consists of 176 pages. Anyone interested in reviewing this publication, that does not have access to the Internet, may do so by contacting Mr. Tommy Arbour at (225) 342-8414 to make an appointment.

5.2.4 Executive Order MJF 02-04

The Governor, M.J. "Mike" Foster, Jr. issued Executive Order MJF 02-04 to put a "limited hiring freeze" on certain agencies by not filling 1,500 jobs currently vacant as of January 30, 2002. A complete copy of this Executive Order is found on the Internet as follows: <http://www.state.la.us/osr/other/mjf02-04.htm>. This reduction in employees is not reflected in 5.1 above.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT I	*		*	
BDPT-196	*	BID QUOTATION	*	May 7, 2002	*	17 of 48
	*	FORM	*		*	

EXHIBIT I
BID QUOTATION FORM

The bidder/contractor proposes to furnish a policy providing **\$400,000 Commercial Excess Following Form Public Employees Blanket Bond Coverage** for the premium stated below for the State of Louisiana, **All State Departments, Agencies, Boards, and Commissions (excluding Louisiana Stadium and Exposition District)** effective for the period of **July 01, 2002 to July 01, 2003 with two (2) one-year options to renew.**

One Year Bond/Policy
With Two (2) One-Year
Options to Renew

TOTAL ANNUAL INSTALLMENT PREMIUM¹:

(Including any Bond/Policy Tax, Surplus Tax,
Bond/Policy Fees, etc.)

\$

LESS COMMISSION RETURN²:

(Per Louisiana R.S. 39:1632)

-

(____)%

NET ANNUAL INSTALLMENT PREMIUM³:

\$

¹ In the event the percentages of policy tax, or surplus lines tax or other taxes increase due to changed legislation, the bidder(s)/contractor(s) **shall** absorb the increases as the State cannot pay more than the amounts quoted on the successful bid except in the instances of increased coverage.

² For explanation refer to PART II - Technical Specifications, Subsection 1, General Specifications, Paragraph 1.10 and PART IV - General Bid Information, Subsection 2, Pricing Information, Paragraph 2.4. **Bidder/Contractor must reflect percentage of total premium which will be returned to the State.**

³ Premium Installment does not refer to prepaid bond/policy. The State of Louisiana does not and will not pay prepaid premiums. The State may authorize an agent to handle the bond/policy for more than one (1) year, not to exceed three (3) years, with annual bond/policy being issued each year during the bond/policy year.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT II	*		*	
BDPT-196	*	RATES	*	May 7, 2002	*	18 of 48
	*		*		*	

EXHIBIT II

RATES

- 1) The bidder/contractor shall indicate below the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I.

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PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT III	*		*	
BDPT-196	*	COMPANY SIGNATURE	*	May 7, 2002	*	19 of 48
	*	PAGE	*		*	

EXHIBIT III
COMPANY SIGNATURE PAGE

INSURANCE COMPANY OR COMPANIES TO BE USED AND PERCENTAGE OR LAYER OF COVERAGE TO BE PROVIDED BY EACH. (If additional space is required supplemental pages that are identified should be attached for insurance company name and signature.)

NOTE: See signature requirements per PART I, Item 6 and PART IV, Item 1.9.

Insurance Company Name: _____

Signature Of Designated Authorized Representative Of The Insurance Company:

Percentage Or Layer Of Coverage To Be Provided:

NOTE: Bidder/Contractor Must Answer the Following Questions:

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1) Is insurance company an assessable mutual company? ⁴ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Is insurance company licensed to do business in Louisiana? ⁴ | <input type="checkbox"/> | <input type="checkbox"/> |

⁴ See PART II, Item 1.1.2 of these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT IV	*		*	
BDPT-196	*	CLAIMS HANDLING	*	May 7, 2002	*	20 of 48
		PROCESS NARRATIVE				

EXHIBIT IV

CLAIMS HANDLING PROCESS NARRATIVE

Bidders/Contractors **shall** respond to the following:

Provide a narrative description of the claims handling procedures (routine processing) to be used in servicing the account for **Commercial Excess Following Form Public Employees Blanket Bond Coverage**. The description should include, but not be limited to, the routine processing of claims, the reaction time to a new loss, and the length of time before a claim's payment will be made.

(If additional space is required, supplemental pages that are identified should be attached for the bidder's/contractor's complete response.)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT V	*		*	
BDPT-196	*	COVERAGE/SERVICES	*	May 7, 2002	*	21 of 48
		DEVIATIONS				

EXHIBIT V

COVERAGE AND/OR OTHER SERVICES DEVIATIONS

Bidder/Contractor **shall** indicate below any change or restriction in conditions, warranties, or exclusions from the **Commercial Excess Following Form Public Employees Blanket Bond Coverage and/or other services required by these specifications**. Submission of sample policy and/or service narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions shall be interpreted to mean policy and/or other services to be provided will be in compliance with coverage and/or other services requested in these specifications.

EXHIBIT VI
BIDDER'S CHECK LIST

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 5, item 6.2.5).
<input type="checkbox"/>	<input type="checkbox"/>	2. Page 19 (EXHIBIT III) signed by designated authorized representative of the insurance company (per page 5, item 6.1.2 and page 12, item 1.9).
<input type="checkbox"/>	<input type="checkbox"/>	3. Insurance Company Name has been indicated on Page 19 (EXHIBIT III) per page 12, item 1.9.
<input type="checkbox"/>	<input type="checkbox"/>	4. Form ORM-2 signed in ink by designated authorized representative of the insurance agency (per page 5, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	5. Amendment(s) (if applicable) signed in ink by designated authorized representative of the insurance agency (per page 5, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	6. Amendment(s) (if applicable) returned (per page 5, item 6.2.5 and page 4, item 4.2).
NOTE: ITEMS 7A, 7B, AND 7C; <u>OR</u> 8A, 8B, AND 8C; <u>OR</u> 9 IS REQUIRED.		
<input type="checkbox"/>	<input type="checkbox"/>	7A. Board resolution/power of attorney (per page 13, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7B. Board resolution/power of attorney (per page 13, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7C. Board resolution/power of attorney (per page 13, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8A. Notarized affidavit, board resolution/power of attorney (per page 13, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8B. Notarized affidavit, board resolution/power of attorney (per page 13, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8C. Notarized affidavit, board resolution/power of attorney (per page 13, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	9. Bid Bond (per page 13, item 3.1.2 or page 13, item 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	10. Claims narrative submitted (per page 14, item 3.4 and page 20, EXHIBIT IV).
<input type="checkbox"/>	<input type="checkbox"/>	11. Were any coverage and/or other services deviations submitted on page 21, EXHIBIT V (per page 12, item 1.3)?
<input type="checkbox"/>	<input type="checkbox"/>	12. Does insurance company have current Best Rating of "A++", "A+", "A" or "A-", Class VIII or higher (Per page 8, item 1.1.2)?
<input type="checkbox"/>	<input type="checkbox"/>	13. Were premium rates indicated on EXHIBIT II (per page 12, item 2.1)?
<input type="checkbox"/>	<input type="checkbox"/>	14. Errors and Omissions Certificate (per page 13, item 3.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	15. Were premium quotations indicated on EXHIBIT I, page 17 (per page 12, items 2.1 and 2.2.)?
<input type="checkbox"/>	<input type="checkbox"/>	16. Was commission return percentage factor reflected on EXHIBIT I, page 17 (per page 13, item 2.4)?
<input type="checkbox"/>	<input type="checkbox"/>	17. Are responses to questions on EXHIBIT III, page 19 in compliance with requirements in Item 1.1.2 on page 8?

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
BDPT-196	*	PREMIUM AND LOSS	*	May 7, 2002	*	23 of 48
		HISTORY				

SCHEDULE A
EARNED PREMIUM AND LOSS EXPERIENCE INFORMATION

This schedule contains Earned Premium and Loss Experience information for the past five (5) years.

BOND/POLICY YEAR	CLAIMS OPEN	CLAIMS CLOSED (with payment)	TOTAL NET SELF-INSURED CLAIMS INCURRED	TOTAL LOSSES INCURRED BY EXCESS CARRIER	EXCESS PREMIUM PAID
07-01-96/97	0	46	\$ 242,826	\$ 0	\$ 249,320
07-01-97/98	0	28	\$ 64,713	\$ 6,523 (investigation cost only)	\$ 249,320
07-01-98/99	2	13	\$ 45,903	\$ 0	\$ 70,948
07-01-99/00	17	11	\$ 424,588	\$ 52,120	\$ 70,948
07-01-00/01	15	1	\$1,268,097	\$400,000	\$ 70,948

NOTES: Limit of Self-Insurance: \$100,000
Earned premium and loss experience data as of 3-26-2002.

INDIVIDUAL LOSSES OVER \$25,000

LOCATION	ACCIDENT DATE	DESCRIPTION OF LOSS	STATUS	PAID	TOTAL INCURRED
4860 – Grambling State University	08/30/96	3-Indy CPU's stolen from Room 137 in Carver Hall.	F	\$ 31,369	\$ 31,369
4420 – Louisiana State University	09/15/96	Auto Cad Graphic Computer stolen at New Design Center	F	\$ 37,052	\$ 37,052
4420 – Louisiana State University	10/18/96	12 Graphic Computers and Accessories stolen at New Design Center	F	\$ 49,793	\$ 49,793
4420 – Louisiana State University	06/08/97	20 Computers and 15 Printers stolen at CEBA	F	\$ 47,999	\$ 47,999
4620 – Southern University – Baton Rouge	11/23/99	Stolen by employee and others through fraudulent payroll records	O	\$ 0	\$99,750
4620 – Southern University – Baton Rouge	02/29/00	Stolen in payroll fraud by Southern employee as to leave time.	O	\$ 2,316	\$ 46,972
0570 – Crescent City Connection - DOTD	05/15/00	Stolen by 4 employees of Crescent City Connection Division from toll receipts.	O	\$ 1,969	\$155,206
0455 – Div. of Admin. Office of Risk Management	12/01/00	Road Hazard Examiner and other ORM employees falsified claims that were fraudulently paid to claimants that were part of kickback scheme. There are 324 incidents to this one claim. As of 3/25/2002, ORM has received restitution of \$409,396 and another \$43,820 has been ordered to be paid through the Dept. of Corrections-Probation and Parole. This is in addition to the \$100,000 paid by the self-insurance policy and \$400,000 paid by the excess bond policy.	O	\$1,098,780	\$1,098,780

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>SCHEDULE B</i>	*		*	
BDPT-196	*	<i>POLICY FORMS</i>	*	May 7, 2002	*	24 of 48
		<i>AND ENDORSEMENTS</i>				

SCHEDULE B

BOND/POLICY FORMS AND ENDORSEMENTS

This schedule contains bond/policy forms and endorsements which reflect the minimum coverage which will be accepted for award of this IFB.

In the event of any discrepancies between the insurance requirements delineated in these specifications and the model bond/policy included herein, the bid specifications **shall** govern.

This schedule is for informational purposes *only* and **not** to be used in awarding the contract.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE B	*		*	
BDPT-196	*	POLICY FORMS	*	May 7, 2002	*	25 of 48
		AND ENDORSEMENTS				

State of Louisiana

Office of Risk Management
Self Insurance Fund

Office of the Governor
Division of Administration

PUBLIC EMPLOYEES BLANKET BOND

NAMED INSURED:	State of Louisiana, All Departments, Agencies, Boards, and Commissions (Excluding Louisiana Stadium and Exposition District)	BOND NO.:	BOND20022003
ADDRESS:	c/o Office of Risk Management (ORM) Post Office Box 94095 Capitol Station Baton Rouge, LA 70804-9095	BOND PERIOD:	Noon, standard time at place of issuance.
		FROM DATE:	07-01-2002
		TO DATE:	07-01-2003

COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE

<u>COVERAGE FORMS FORMING PART OF THIS BOND/POLICY</u>	<u>LIMIT OF INS.</u>	<u>DEDUCTIBLE AMT.</u>
Public Employee Dishonesty Coverage Form (CR 00 16 10 90):	<u>\$100,000.00</u>	<u>\$ 250.00</u>
Crime General Provisions (CR 10 00 06 95):	<u>Included Above</u>	<u>Included Above</u>
Add Faithful Performance of Duty (CR 10 44 12 93):	<u>Included Above</u>	<u>Included Above</u>

FORMS/SCHEDULES FORMING PART OF THIS BOND/POLICY

CR 00 16 10 90	BOND001
CR 00 07 10 90	UND-01
CR 10 44 12 93	UND-02
CR 10 00 06 95	ENDORSEMENTS A-J

IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS BOND/POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS BOND/POLICY.

THE PARTIES AGREE THAT THIS CONTRACT IS SUBJECT TO AND CONDITIONED UPON THE AVAILABILITY AND APPROPRIATION OF THE FUNDS NECESSARY FOR ANY AND ALL AMOUNTS THAT MAY BE DUE IN ACCORD WITH THE PROVISIONS HEREIN.

THIS BOND/POLICY IS SUBJECT TO COST ALLOCATION PLAN OF OFFICE OF RISK MANAGEMENT (ORM).

COUNTERSIGNED July 1, 2002

BY _____
(Authorized representative)

COMMERCIAL CRIME
CR 10 00 06 95

CRIME GENERAL PROVISIONS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

A. GENERAL EXCLUSIONS

We will **not** pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
3. **Indirect Loss:** Loss that is an indirect result of any actor "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. GENERAL CONDITIONS

1. **Concealment, Misrepresentation or Fraud:** This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
 - a. This insurance;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this insurance.
2. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of some other entity:
 - a. Any additional persons become "employees"; or
 - b. You acquire the use and control of any additional "premises".
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
 - a. Give us written notice within 30 days thereafter; and
 - b. Pay us an additional premium.
3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.
4. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
5. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:
 - a. Notify us as soon as possible.
 - b. Submit to examination under oath at our request and give us a signed statement of your answers.
 - c. Give us a detailed, sworn proof of loss within 120 days.
 - d. Cooperate with us in the investigation and settlement of any claim.

6. Joint Insured:

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

7. Legal Action Against Us: You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

8. Liberalization: If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

9. Loss Covered Under More Than One Coverage of This Insurance: If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

10. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
 - (1) This insurance as of its effective date; or
 - (2) The prior insurance had it remained in effect.

11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate: If any loss is covered:

- a. Partly by this insurance; and
 - b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

12. Non-Cumulation of Limit of Insurance: Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

13. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

14. Ownership of Property; Interests Covered: The property covered under this insurance is limited to property:

- a. That you own or hold; or
 - b. For which you are legally liable.
- However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

15. Policy Period:

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

16. Records: You must keep records of all Covered Property so we can verify the amount of any loss.

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17. Recoveries:

a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (2) Then to us, until we are reimbursed for the settlement made;
- (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

b. Recoveries do not include any recovery:

- (1) From insurance, suretyship, re-insurance, security or indemnity taken for our benefit; or
- (2) Of original "securities" after duplicates of them have been issued.

18. Territory: This insurance covers only acts committed or events occurring within the United States of America, U. S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

19. Transfer of Your Rights of Recovery Against Others to Us: You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

20. Valuation – Settlement:

a. Subject to the applicable Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value in the "money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- (i) Value of the "securities" at the close of business on the day the loss was discovered; or
- (ii) Limit of Insurance.

(3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

(a) Actual cash value of the property on the day the loss was discovered;

- (b) Cost of repairing the property or "premises"; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":
 - (1) In the "money" of the country in which the loss occurred; or
 - (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. Any property that we pay for or replace becomes our property.

C. GENERAL DEFINITIONS

- 1. **"Employee"** means:
 - a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service); and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
 - b. Any natural person employed by an employment contractor while that person

is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But **"employee"** does *not* mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. **"Money"** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

3. **"Property Other Than Money and Securities"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

4. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

CR00161090
PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM
(COVERAGE FORM 0-PER LOSS)

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty".
3. **Coverage Extension**
Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
 - a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.
 - b. Upon our request, give us a statement describing the loss.

D. ADDITIONAL EXCLUSIONS, CONDITIONS, AND DEFINITIONS:

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss or damages as specified below:
 - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
 - b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (1) An inventory computation; or

- (2) A profit and loss computation.

- c. **Bonded Employees:** loss caused by any "employee" required by law to be individually bonded.
- d. **Treasurer or Tax Collector:** loss caused by a treasurer or tax collector by whatever name known.
- e. **Damages:** damages for which you are legally liable as a result of:
 - (1) the deprivation or violation of the civil rights of any person by an "employee"; or
 - (2) the tortious conduct of an "employee", except conversion of property of other parties held by you in any capacity.

2. Additional Conditions:

- a. **Cancellation As To Any Employee:**
This insurance is cancelled as to any "employee":
 - (1) Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that "employee" whether before or after becoming employed by you.
 - (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

- b. **Sole Benefit:** This insurance is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than you.
- c. **Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through dishonest acts of persons who serve under them, subject to the Limit of Insurance.

3. Additional Definitions

- a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by

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an "employee", whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- (1) Cause you to sustain loss; and also
- (2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

- b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

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THIS ENDORSEMENT CHANGES THE BOND/POLICY. PLEASE READ CAREFULLY.

BOND / POLICY CHANGES

BOND/POLICY CHANGE NO.: **1**
BOND NO.: **BOND20022003**

COVERAGE PARTS AFFECTED:

Form No. **CR 00 16 10 90** - Public Employee Dishonesty Coverage Form

CHANGES:

Page 1 of 2, Item No. D, 1. - Additional Exclusions

The following exclusion is *added*:

- f. Failure to Notify:** Loss believed to be the result of "Employee Dishonesty" for which the Police have not been notified as soon possible.

Page 1 of 2, Item No. D, 2. - Additional Conditions

The following condition is *added*:

- d. Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to Covered Property is the result of "Employee Dishonesty" you **must** notify the Police as soon as possible.

Page 1 of 2, Item No. D., b. - Inventory Shortages is *amended* to read as follows:

- b. Inventory Shortages:** Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

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THIS ENDORSEMENT CHANGES THE BOND/POLICY. PLEASE READ CAREFULLY.

BOND / POLICY CHANGES

BOND/POLICY CHANGE NO.: **2**
 BOND NO.: **BOND20022003**
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COVERAGE REVISIONS:

This endorsement applies to the "*Louisiana Department of State Civil Service*" only.

CHANGES:

Page 4 of 4 of CR 10 00 06 95, Item No. C, 3. - Property Other Than Money and Securities

The following verbiage is to replace present wording:

3. **Property Other Than Money and Securities:** means any property other than "money" and "securities", including "Intellectual Property" contained in Civil Service examination booklets, but does not include any property listed in any Crime Coverage form as Property Not Covered.

Page 1 of 2 of CR 00 16 10 90, Item No. D, 3. - Additional Definitions

The following definition of "*Employee Dishonesty*" is expanded to include:

- a. Concerning "Intellectual Property" losses: if State Civil Service (insured) is unable to designate the specific Employee causing such loss, the insured nevertheless shall have the benefit of this coverage provided that the evidence submitted reasonable establishes that the loss was in fact caused by dishonesty of such Employee. The limit of insurance for each loss of "Intellectual Property" shall not exceed the following limits:

See next page.

THIS ENDORSEMENT CHANGES THE BOND/POLICY. PLEASE READ CAREFULLY

BOND/POLICY CHANGES

BOND/POLICY CHANGE NO.: **2**
 BOND NO.: **BOND20022003**
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CHANGES - Continued

TEST SERIES NUMBER	TEST SERIES NAME	COST
4000	General Clerical Exam	\$ 60,000
1333	Professional Entry Test	\$ 60,000
4002	Typing Careers Exam	\$ 50,000
3500	Professional Supervisor Exam	\$ 50,000
1111	Engineering Aide Test	\$ 50,000
4900	Manager/Administrator Exam	\$ 50,000
5000	Law Enforcement & Protective Services Test	\$ 40,000
1700	Law Enforcement Supervisor Exam	\$ 40,000
2027	Accounting Specialist/Technician Exam	\$ 30,000
1000	Professional Accountant Exam	\$ 30,000
1500	Professional Auditor Exam	\$ 30,000
2374	Social Service Case Manager Exam	\$ 30,000
1050	Group Benefits Claims Assistant Exam	\$ 20,000
1627	General Entry Level Exam	\$ 20,000
	TOTAL:	\$560,000

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COMMERCIAL CRIME

THIS ENDORSEMENT CHANGES THE BOND/POLICY. PLEASE READ CAREFULLY.

ADD FAITHFUL PERFORMANCE OF DUTY

This endorsement applies only to PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM 0 or P.

PROVISIONS

1. The following is *added* as a Covered Cause of Loss:

Failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

2. The following Additional Exclusion is *added*:

Depository Failure: loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

3. Part D.2.a.(1) of the Coverage Form is *deleted* and the following *substituted*:

Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees of any act on the part of an "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of this Coverage Form, as amended by this endorsement.

4. Part D.2.c. of the Coverage Form is *deleted* and the following *substituted*:

Indemnification: We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

COMMERCIAL CRIME
Coverage Form F

COMPUTER FRAUD COVERAGE FORM

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money," "Securities" and "Property Other Than Money and Securities."
2. **Covered Cause of Loss:** "Computer Fraud"

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

C. DEDUCTIBLE

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:
 - a. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - b. **Inventory Shortages:** Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - (1) An inventory computation; or
 - (2) A profit and loss computation.

2. Additional Conditions

- a. **Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.
- b. **Special Limit of Insurance for Specified Property:** We will only pay up to \$5,000 for any one "occurrence" of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

3. Additional Definitions

- a. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- b. **"Computer Fraud"** means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises" to a person (other than a "messenger") outside those "premises" or to a place outside those "premises."
- c. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."
- d. **"Occurrence"** means an:
 - (1) Act or series of related acts involving one or more persons; or
 - (2) Act or event, or a series of related acts or events not involving any person.
- e. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
- f. **"Theft"** means any act of stealing.

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UNITED STATES POSTAL CONTRACT BOND COVERAGE

KNOW ALL MEN BY THESE PRESENTS, That we, the Principal(s) and Surety(ies) hereto, are firmly bound to the United States Postal Service (hereinafter called the Postal Service) in the below penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: Provided, That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal(s) entered into the contract identified above for the operation of a postal contract unit:

NOW THEREFORE, if the Principal(s)

- (a) shall perform and fulfill all duties and trusts imposed on him/her as such contractor in accordance with the terms of the contract and such rules, regulations and directions as the Postal Service or its authorized representative shall prescribe pursuant to the contract; and
- (b) shall faithfully account for, deliver, and pay over the Postal Service or its authorized representatives all monies, stamps, and stamped paper, money order stock, mail matter, Postal Service property furnished pursuant to the contract, and all other property of every kind which shall come into his/her possession (including the possession of his/her employees or agents) during the performance of the contract; then this obligation shall be void and of no effect; otherwise it shall remain in full force and effect.

The obligee under this United States Postal Contract Bond coverage is the United States Postal Service.

It is understood and agreed the purpose of this endorsement is to provide coverage for the United States Postal Contract Station as scheduled on the following page, indicating each university's penal sum (limit of liability) and effective date:

<u>AGENCY NUMBER</u>	<u>STATE AGENCY NAME</u>	<u>PENAL SUM (LIMIT OF LIABILITY)</u>	<u>EFFECTIVE DATE</u>
4460	University of New Orleans New Orleans Contract Station New Orleans, La.	\$30,000	07-01-02
4620	Southern University - Baton Rouge Southern Contract Station #2 Student Union Building	\$25,000	07-01-02
4650	Southern University – New Orleans Southern Contract Station #2 Student Union Building	\$10,000	07-01-02
4820	Nicholls State University Nicholls Contract Station Thibodaux, La.	\$10,000	07-01-02
5000	Louisiana Tech University Tech Contract Station First Floor, Tolliver Hall	\$20,000	07-01-02
5040	McNeese State University McNeese Contract Station #2 Lake Charles, La.	\$15,000	07-01-02

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UNITED STATES POSTAL CONTRACT BOND COVERAGE - CONTINUED

<u>AGENCY NUMBER</u>	<u>STATE AGENCY NAME</u>	<u>PENAL SUM (LIMIT OF LIABILITY)</u>	<u>EFFECTIVE DATE</u>
5080	University of Louisiana at Monroe Contract Station Monroe, La.	\$20,000	7-01-02
5160	Northwestern State University Northwestern Contract Station Natchitoches, La.	\$10,000	7-01-02
5220	Southeastern Louisiana State University Southeastern Contract Station Hammond, La.	\$25,000	7-01-02
5260	University of Southwestern Louisiana Southwestern Contract Station, ID #405 Lafayette, La.	\$45,000	7-01-02

It is agreed that Endorsement C of this bond does **not** apply to United States Postal Contract Bond Coverage. Therefore, **no** deductible is required for the U.S. Postal Contract Station coverage.

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **A**
BOND NO.: **BOND20022003**

DEFINITIONS

It is agreed that:

1. the definition of "employee" is amended to *include* any Treasury or Tax Collector by whatever title known.

The intent of the attached bond/policy is to cover losses caused to the insured in keeping with Forms CR 00 16 10 90 and CR 10 44 12 93 involving any employee, including any Treasurer or Tax Collector by whatever title known.

2. "employee" as defined in the attached bond/policy shall also be deemed to include any director, trustee, member of any board or commission of the Insured when performing acts coming within the scope of the usual duties of an officer or employee or member of any such board or commission of the Insured.
3. an "employee" as defined in the attached bond/policy shall also be deemed to include persons in the employ of the insured who are required by law to furnish an individual "Public Official" bond, but this bond/policy shall be excess over any primary "Public Official" bond in force at the time of claim. The maximum amount of the covered loss shall not exceed \$100,000, and the \$100,000 loss limit is limited to the sum of the total paid under the individual Public Official Bond and this bond/policy.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **B**
BOND NO.: **BOND20022003**

PAYROLL DEDUCTION FUND RIDER

It is agreed that:

any loss of payroll deduction funds through acts or defaults covered by the attached bond/policy and committed by Employees, while handling or having possession of such funds, shall be deemed to be a loss sustained by the Insured under such applicable bond/policy whether or not the Insured is legally liable thereof.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **C**
BOND NO.: **BOND20022003**

DEDUCTIBLE

The Office of Risk Management (ORM) shall not be liable under the attached bond/policy on account of any loss, except to the extent such loss is in excess of **Two Hundred Fifty Dollars and No Cents (\$250.00)**, with the insurance then applying to such excess only, subject otherwise to the applicable limit of the ORM's liability.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **D**
BOND NO.: **BOND20022003**

STATE PROPERTY CONTROL MANAGERS

Be it understood the purpose of this rider is to indicate **all** State Property Control Managers are included under this bond/policy, as per Louisiana Revised Statutes 39:321 through 39:332.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **E**
BOND NO.: **BOND20022003**

PUBLIC OFFICIAL AND NOTARY (NOTARIAL) BOND COVERAGE

Be it understood and agreed that it is the purpose of this rider that:

an "**employee**" as defined in the attached bond/policy shall also be deemed to include persons in the employ of the insured who are required by law to furnish an individual Public Official or Notary bond in force at the time of a claim.

the maximum amount of the covered loss shall not exceed \$100,000, and the \$100,000 loss limit is limited to the sum of the total paid under the individual Public Official or Notary Bond and this attached bond/policy.

It is further agreed this rider indicates that all Public Official (Officer) and Notary (Notarial) Bonds are included under this self insurance bond/policy, as per the 1988 Regular Session, Act 50, Revised Statute 39:1542.1, of the Louisiana Legislature.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **F**
BOND NO.: **BOND20022003**

UNAUTHORIZED INSTRUCTION

It is agreed that:

the attached bond/policy does ***not*** apply to loss of covered property which has been transferred to a person or to a place outside the covered premises on the basis of unauthorized instructions.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **G**
BOND NO.: **BOND20022003**

EXCLUDE DRUGS AND NARCOTICS

This endorsement applies **only** to the Public Employee Dishonesty Coverage Form O and Coverage Form A.

PROVISIONS:

Covered Property does **not** include drugs and narcotics.

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **H**
BOND NO.: **BOND20022003**

INCLUDE VOLUNTEER WORKERS AS EMPLOYEES

This endorsement applies to the CRIME GENERAL PROVISIONS FORM and all Crime Coverage Forms forming part of the Bond.

PROVISIONS:

"Employee" also **includes** any non-compensated natural person:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of any "employee";
- or
2. While acting as a fund solicitor during fund raising campaigns.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: I
BOND NO.: **BOND20022003**

ENTITIES EXCLUDED

It is agreed that the purpose of this endorsement is to **exclude** coverage provided under the aforementioned bond for the following entity:

- 1.) Louisiana State University Tiger Athletic Foundation
- 2.) Louisiana Stadium and Exposition District

This cancellation of coverage is effective upon the inception date and time of aforementioned bond.

All other terms and conditions of this bond shall remain unchanged and in full force and effect.

EFFECTIVE DATE: **07-01-02**

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ALL PURPOSE ENDORSEMENT

ENDORSEMENT NO.: **J**
BOND NO.: **BOND20022003**

REPORTING OF BOND CLAIMS

1. The State of Louisiana provides insurance coverage for this bond/policy which includes performance, money and securities. All claims are to be reported in writing to the Office of Risk Management's Property Claim Unit, P.O. Box 94095, Baton Rouge, Louisiana 70804-9095.
2. Information required to be submitted includes the following:
 - A. Name of insured agency;
 - B. Date of loss;
 - C. Location of loss;
 - D. Circumstances surrounding the occurrence;
 - E. Approximate value of loss; and
 - F. Name of person reporting claim, listing job title and telephone number.
3. Claims are to be submitted in writing to the Office of Risk Management, Post office Box 94095, Baton Rouge, Louisiana 70804-9095.
4. Any objects and/or products which may have caused, contributed to, or which are suspected of causing an accident are to be retained and preserved as evidence.
5. If a loss occurs or a claim arises, the agency is not to assume any obligation or incur any expenses without authority from the Office of Risk Management.

EFFECTIVE DATE: **07-01-02**